UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/072,220	02/08/2002	Narinder Pal Singh	9623/374	5376

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EXAMINER
NGUYEN, CUONG H

ART UNIT	PAPER NUMBER
3625	

DATE MAILED: 04/15/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 07-01)

Office Action Summary	Application No. 10/072,220	Applicant(s) Davis et al.
	Examiner Cuong H. Nguyen	Art Unit 3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE ___3___ MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on *9/25/2002 (the answer for 1.183 petition)* _____.

2a) ☐ This action is **FINAL**.   2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) *1-44* _____ is/are pending in the application.

    4a) Of the above, claim(s) _____ is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) *1-44* _____ is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on _____ is/are objected to by the Examiner.

11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved.

12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

  a) ☐ All b) ☐ Some* c) ☐ None of:

    1. ☐ Certified copies of the priority documents have been received.

    2. ☐ Certified copies of the priority documents have been received in Application No. _____.

    3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

  *See the attached detailed Office action for a list of the certified copies not received.

14) ☒ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

15) ☒ Notice of References Cited (PTO-892)

16) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

17) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s). _____

18) ☐ Interview Summary (PTO-413) Paper No(s). _____

19) ☐ Notice of Informal Patent Application (PTO-152)

20) ☐ Other:

DETAILED ACTION

1.   This Office Action is the answer to the communication received on 5/20/2002, which paper has been placed of record in the file.

2.   Claims **1-44** are pending in this application.

Drawings

3.   This application has been filed with drawings which are acceptable for examination purposes.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:
    Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requirements of this title.

4. Claims **42-44** are rejected under 35 U.S.C 101 since they merely contain a <u>computer program code per se</u>, and this subject matter is non-statutory (see USPTO guidelines for examination procedures for computer-related inventions printed on 2/27/1996, the flow-chart, box 6 (pages 7-10), and box 7).

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5A. <u>Re. To claim 1</u>: This claim lacks an antecedent basis for claimed terms "in <u>the</u> pay for placement market place".

Claims **2-22** are objected by dependencies.

5B. <u>Re. To claim **24**</u>: A use of a computer network (e.g., Internet) <u>must be claimed</u> to avoid any unclear environment/(base line) (e.g., a telephone network can do searching by using telephone keypads); therefore, this claim does not particularly pointing out and distinctly claiming a computerized environment of claimed subject matter (please note that "database" or "search engine" is not good enough to positively define an Internet environment.

Claims **25-41** are objected by dependencies.

5C. <u>Re. To claim **7**</u>: This claim is about a method, it is unclear about a definite amount for profit when claiming "maximize advertiser profit" (please note that "maximize" is a relative term of degree); therefore, this number is vague.

5D. <u>Re. To claim **8**</u>: This claim is about a method, it is unclear about a definite amount of cost when claiming "a maximum cost per click" (please note that "maximize" is a relative term of degree); therefore, this number is vague..

5E. <u>Re. To claim **10**</u>: This claim is about a method, it is unclear about a definite amount of "conversion rate" when claiming "determining profit based on conversion rate" (please note that "a conversion rate" has to be defined before "determining profit").

5F. <u>Re. To claim 11</u>: This claim is about a method, it is indefinite of "conversion rate" in this claim, when claiming "determining search term conversion rates".

5G. <u>Re. To claim 14</u>: This claim is about a method, wherein reviewing bid amounts comprises: <u>reviewing some bidding combinations</u>, this claimed feature is unclear and vague since claiming "bidding combinations" could comprise many different items which are not defined yet; therefore, this phrase is not clear.

5H. <u>Re. To claim 15</u>: This claim is about a method, with "determining ranks not likely to be in <u>an optimal solution</u>"; this claimed feature lacks an antecedent basis for this <u>relative term of degree</u>.

5I. <u>Re. To claim 16</u>: This claim is about a method, with ignoring ranks <u>below a threshold rank</u>; this claimed feature lacks an antecedent basis for a threshold rank.

5J. <u>Re. To claim 17</u>: This claim is about a method, with ignoring ranks <u>having fewer clicks than a click threshold; this claimed feature lacks an antecedent basis</u>.

5K. <u>Re. To claim 18</u>: This claim is about a method, with ignoring ranks some distance from an optimal solution greater than a

distance between an optimal solution and a last solution; this claimed feature lacks an antecedent basis.

5L. Re. To claim **19**: This claim is about a method, with ignoring ranks having a bid amount which varies by a factor outside an acceptable range determined by a last solution, this claimed feature is unclear because "last solution" has not been defined.

5M. Re. To claim **22**: This claim is about a method, with reducing a determined bid amount to a level that just exceeds a next-lowest bid amount, this claimed feature lacks an antecedent basis, and "a level that just exceeds a next-lowest bid amount" is indefinite; the examiner submits that "just exceeds" is a relative term of degree.

5N. Re. To claim **23**: This claim is about a method, it is unclear about a claimed term of "transferring economic value".

5O. Re. To claim **24**: This claim is about a method, it is unclear about a definite base-line/environment (please note that "a computerized search system" should be defined.

5P. Re. To claims **24-41**: These claim is about a system, they comprise functional languages such as "responsive to" (in claim 24), "is configured to" (in claims 25-41). Any discussion of functional language should then be limited to a system, machine, product, or apparatus as to opposed to a process or method claim.

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Because system/apparatus claims cover the structure of the machine. One "cannot expand the coverage of apparatus claims to cover every apparatus used for the same purpose." *Augustine Medical, Inc. v. Gaymar Indus., Inc.*, 181 F.3d 1291, 50 USPQ2d 1900, 1908 (Fed. Cir. 1999). A "use" can only be claimed by claiming the use as a process. See *In re Papesch*, 315 F.2d 381, 384, 137 USPQ 1084, 1088 (CCPA 1963). Claims directed to system/apparatus <u>must be distinguished from the prior art in terms of structure rather than function</u>. See *In re Danly*, 263 F.2d 844, 847, 120 USPQ 528, 531 (CCPA 1959). When interpreting functional language, if the prior art is capable of performing the claimed function "even if not directly disclosed" it anticipates. *In re Schreiber*, 128 F.3d 1473, 1478, 44 USPQ2d 1429, 1432 (Fed. Cir. 1997) (Applicant's popcorn dispenser was rejected with an oil can because the functional limitations were inherent in the reference). It is the Examiner's position that the claimed the prior art computer is capable of performing the claimed functions. The Examiner submits that claims 24-41 are directed to <u>a system</u>, but they comprise many functional language (such as claimed phrases after the word "configured to"/"responsive to") instead of defining about components, modules .etc. The first claim recites a glove and how the glove

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is used. The second claim actually claims the catching of a ball.

5Q. <u>Re. To claim **26**</u>: This claim is about a system, it is unclear about a definite amount for "cost per click" when claiming "maximize average cost per click" (please note that "maximize" is a relative term of degree); therefore, this number is vague.

5R. <u>Re. To claims **28-32**</u>: These claims are about a system, they are unclear about a definite amount when claiming "maximize ...profit" (please note that "maximize" is a relative term of degree); therefore, this number is vague.

5S. <u>Re. To claim **33**</u>: This claim is about a system, it is unclear about a "determine <u>profit</u> based on a plurality of search terms having <u>different</u> conversion <u>rates</u> at <u>different ranks</u>". There are 3 variables (i.e., profit, rate, and rank) in one equation; therefore, this claim is unclear.

5T. <u>Re. To claims **34-35**</u>: These claims are about a system, it is unclear about a definite amount for profit when claiming "highest profit" (please note that "highest" is a relative term of degree); therefore, this number is vague.

5U. <u>Re. To claim **36**</u>: This claim is about a system, it is unclear about a definite amount of "solution" when claiming "not likely to be in an optimal solution" (please note that "optimal" is a

relative term of degree); therefore, this number for "solution" is vague.

5V. <u>Re. To claim **37**</u>: This claim is about a system, it is unclear about a definite amount for "threshold" when claiming "having a rank less than a rank threshold" (please note that "less than" is a relative term of degree); therefore, this number for "a rank threshold" is vague.

5Y. <u>Re. To claim **38**</u>: This claim is about a system, it is unclear about a definite amount for "threshold" when claiming "having received a number of clicks fewer than a click threshold" (please note that "fewer than" is a relative term of degree); therefore, this number for "a click threshold" is vague.

5w. <u>Re. To claim **39**</u>: This claim is about a system, it is unclear about a definite amount for "threshold" when claiming "...at a rank a distance from a solution which is greater than a distance from a previous solution" (please note that "greater than" is a relative term of degree); therefore, this number for "a solution" is vague.

5X. <u>Re. To claim **32**</u>: This claim is about a method, wherein the flight management agent is configured to <u>maximize advertiser profit by determining profit</u> based on a plurality of search terms

having a plurality of conversion rates. This claimed feature is
unclear.

5Z. <u>Re. To claim 33</u>: This claim is about a method, with wherein
the flight management agent is configured to determine profit
based on a plurality of search terms <u>having different conversion</u>
<u>rates at different ranks</u>, this claimed feature is indefinite.

6. <u>Re. To claim 39</u>: This claim is about a system wherein a
management agent is configured to exclude search terms <u>at a rank</u>
<u>a distance from a solution</u> which is greater than a distance from
<u>a previous solution</u>. There are 2 variables (underlined portions)
in an equation (i.e., claim 39); therefore, many assumptions
would be made to solve that equation, and that causes the claim
not concrete. (the underlined claimed features also lack an
antecedent basis).

7. <u>Re. To claim 40</u>: This claim is about a system, wherein the
flight management agent is configured to <u>exclude search terms</u>
<u>having a bid amount varying from a previous by a predetermined</u>
<u>amount</u>, this "a predetermined amount" lacks an antecedent basis.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms

the basis for all obviousness rejections set forth in this action

*(a) A patent may not be obtained though the invention is not identically
disclosed or described as set forth in section 102 of this title, if the
differences between the subject matter sought to be patented and the prior
art are such that the subject matter as a whole would have been obvious at
the time the invention was made to a person having ordinary skill in the*

> *art to which said subject matter pertains. Patentability shall not be*
> *negatived by the manner in which the invention was made.*

8.   Claims **1-44** are rejected under 35 U.S.C. 103(a) as being

unpatentable over **eBay** or **Fischer** et al. (US Pat.

5,835,896).

- **eBay** practices about varying bid amounts, it would be

obvious to one with ordinary skill in the art to apply in

different areas of bidding, e.g., one of those areas subject to a

maximum cost per click.

- **eBay** practices about proxy biddings comprising receiving

an specified maximum bid amount for an item; and adjusting the

bid amount.

- **eBay** practices biddings comprising:

reducing a determined bid amount to a level that just exceeds a

next-lowest bid amount (i.e., proxy biddings).

- **eBay** 's bidding practices comprising:

- receiving search queries from searchers;

- searching in a database for search terms having a

match with the search queries, the database storing

search terms and associated bid amounts of the one or

more advertisers; providing search results from the

search terms having a match with the search query;

when a provided item is clicked by a searcher, increase

economic value from the seller associated with the

provided item.

- **eBay** uses a database search system comprising:

    - a database of items, each item associated with a bid

amount payable by a buyer of a plurality of buyers; a

search engine responsive to search queries from

searchers for searching the database; and

a flight management agent responsive to buyer specified

parameters for adjusting bid amounts to manage

expenditures over a time interval.

The examiner submits that a subject matter of the invention

is about <u>bidding for a search term with proxy biddings</u>. This

generic subject matter is already suggested by eBay.com, Inc. or

Fischer et al.

It would have been obvious to one of ordinary skill in the

art at the time of invention for implementing eBay.com, Inc. or

Fischer et al. ideas to perform claimed features.

Conclusion

9.   Claims **1-44** are not patentable.

10. These references are pertinent to applicant's disclosure:

- **Ryan** et al., US Pat. 6,421,675 - 7/16/2002 (filed 7/15/1998), about a Search engine , wherein this invention provides for a method of updating an internet search engine database with the results of a user's selection of specific web page listings from the general web page listing provided to the user as a result of his initial keyword search entry. By updating the database with the selections of many different users, the database can be updated to prioritize those web listings that have been selected the most with respect to a given keyword, and thereby presenting first the most popular web page listings in a subsequent search using the same keyword search entry.

- **Auxier** et al., US Pat. 6,379,251 - 4/30/2002 (filed on 3/05/1999), about a system and a method for increasing click through rates of internet banner advertisements. for increasing click-through rates of Internet banner advertisements (ads) is enabled through the delivery of banner ads having a user interactive gaming function. In one embodiment, the user interactive gaming function is implemented as an Internet scratch-off game. The gaming further on the banner ad is completed by the user upon the interaction by the user at a merchant web site. A transfer to the merchant's web site is accomplished using a uniform resource locator request that

includes game state information. Automatic transfers to a merchant web site can also be effected based upon indications of user interaction with an interactive portion of a banner ad.

- **Murray,** US Pat. 6,243,104 - 6/05/2001, filed on 12/09/1998) about a system and a method for integrating a message into streamed content for integrating a message such as an icon at a specified location within a graphical image. The method includes the steps of first retrieving transformation parameters associated with the specified location of the graphical image. The message or icon is then transformed in accordance with the retrieved transformation parameters and subsequently superimposed on top of the graphical image. As a result, an integrated image is created which is conveyed to the electronic display. The method has particular industrial applicability to streamed content such as conveyed on television and over the Internet. Also disclosed is a method for identifying transformation parameters useful in specifying a locality within a graphical image wherein a frame of a graphical image is displayed as a background image and a another, preselected message is displayed as a foreground image. The method permits translation and scaling of the foreground image while the background image remains

unaffected. Transformation parameters are obtained and associated
with that frame of the graphical image.

- **Gabbard** et al., (US Pat. 6,205,432 - 3/20/2001, filed on
11/16/1998)about a background advertising system for inserting
into an end user communication message a background reference to
an advertisement. In some embodiments, the background reference
causes an advertisement image to be tiled, or watermarked, across
an end user screen behind the text of an e-mail message or public
posting. A message server inserts the background reference after
receiving a message originally sent from an end user originator
and before sending the message to be delivered to an end user
recipient. When necessary, the message server will convert at
least a portion of the message into a proper format, such as
HTML, before inserting the background reference to an
advertisement, which is preferably selected in accordance with
end user recipient demographic information and/or ad exposure
statistics. The advertisement itself, often a graphical file, is
preferably not transmitted with the message, but is typically
stored at the message server or other location remote from the
end user recipient. Preferably, the message server maintains and
refer to records on each end user recipient to allow for
selective enablement of background reference insertion and

overwriting based upon end user preferences. According to various "non-web" example embodiments, the message server transmits an SMTP, POP3 or NNTP message with an HTML portion for a respective HTML-compatible client. In other "web-based" example embodiments, the message server transmits the entire message in HTML to be used as a stand-alone web page or as a portion of a larger page employing frames or tables.

- **Murray,** (US Pat. 6,061,659 - 5/09/2000, filed on 6/03/1997) about a system and a method for integrating a message into a graphical environment of conveying information to a user in specified content displayed in an interactive graphical environment. The information comprises a predetermined message defined by message parameters to create an image and stored in a message memory. The content includes predetermined specifications for assimilating said message. The method comprises the steps of retrieving the specified content from a content memory then identifying the predetermined specifications from the content for substituting a portion of the content into a transformed representation of the predetermined message. After retrieving and identifying, the predetermined message is obtained from the message memory and transformed into a scaled message according to the specifications to substitute the message into the content

portion and define a modified environment. After substitution,

the method concludes by communicating the modified environment

to the user, whereby the message, having been assimilated into

the content, attracts substantial attention to effect improved

cognitive processing and recall.
- Chavez et al., "Kasbah: an agent marketplace for buying and

selling goods", from the web of asc/pattie@media.mit.edu, posted

on April 1996.

   - Fujisaki (US Pat. 4,789,928), filed on 1/30/1987, about an

      auction information processing method and system.

   - Nymeyer (US Pat. 3,581,072), filed on 3/28/1968, about an

   auction market computation system; wherein a margin number

   is used as a margin provision for price increment (see

   12:18-26, 25:32-39; 26:15-27, 27:16-19, 28:6-43).

   - Fisher et al. (US Pat.5,835,896), filed on 3/29/1996,

   about a method and a system for processing and transmitting

   electronic auction information; wherein a "Proxy Bidding"

   feature is utilized, this is similar to the applicants'

   claim for "maximum margin bidding".
15. Any inquiry concerning this communication or earlier

communications from the examiner should be directed to Cuong

H. Nguyen whose telephone number is 703-305-4553   The

examiner can normally be reached on Mon.-Fri. from 7:00 AM to 3:15 PM (EST).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Ms. Wynn Coggins, can be reached on (703)308-1344.

Any response to this action should be mailed to:

Amendments

Commissioner of Patents and Trademarks
Washington D.C.   20231

or faxed to:

    (703)305-7687   [Official communications; including After Final communications labeled "Box AF"]

    703-746-5572 (RightFax) Informal/Draft communications, labeled
          "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703)308-1113.

Cuonghnguyen
Primary Examiner
March 31, 2003